

Octagon Investment Funds

Income Fund

Monthly Performance Update as at 30 November 2024

To review the fund's investment objective and strategy, fees information and risk indicator please see the funds' product disclosure statement and most recent fund update at www.octagonasset.co.nz/our-funds/income-fund/.



Return comparison	1 Month	3 Months	1 Year	3 Years*	Since inception*
Net Fund Return^	1.00%	1.12%	8.24%	2.21%	2.31%
Gross Fund Return	1.06%	1.21%	8.81%	2.73%	2.85%
Composite Index	1.56%	1.98%	12.57%	2.33%	2.06%

*Annualised

Major investments

Hunter Global Fixed interest Fund	20.4%
ANZ transactional bank account	4.0%
Vital Healthcare Property Trust	2.7%
Goodman Property Trust	2.6%
Precinct Properties New Zealand Limited	2.6%
Spark New Zealand Limited	2.2%
Genesis Energy Limited	1.9%
APA Group Limited	1.9%
New Zealand Government 4.50% 15/05/2030	1.9%
Kiwi Property Group Limited	1.9%
Major holdings as % of total portfolio	42.04%

Manager's comments

What happened in the markets that you invest in?

Noting that the Income Fund has no exposure to equity markets outside of NZ and Australia, economic leads were provided by the US with President-elect Trump being seen as positive for business and growth. Asian economies and other emerging markets will likely bear the brunt of any tariff changes, and they are already weaker than the US.

Political upheaval continues with France and South Korea also facing political crises whilst armed conflicts in the Ukraine and Middle East continue. For now, markets are seeing these events as not material for market returns but we continue to watch for escalation.

How did your portfolio perform?

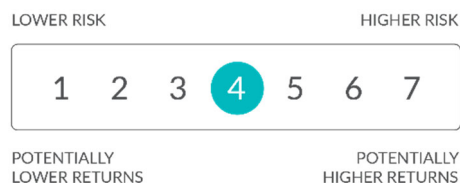
The Income Fund delivered a gross return of 1.06% for the month of November, underperforming the fund's market index return of 1.56% by -0.50%.

For the 12 months to the end of November, the Income Fund delivered a gross return of 8.81%, underperforming the fund's market index return of 12.57% by -3.76%.

Of the funds utilised within the Income Fund, the Listed Property Fund and the Hunter Global Fixed Interest Fund exceeded their market indices, while the Australian Equities Fund, New Zealand Equities Fund, New Zealand Fixed Interest Fund and the Enhanced Cash Fund underperformed or were in-line with their respective market index. For further information on each of the single asset class funds used by the Income Fund, refer to the relevant single asset class fund commentary.

Almost 40% of the fund is invested in directly held Australasian equities. Holdings in Turners Automotive, IAG, BlueScope and Napier Port added to performance, whilst

Risk indicator for the Income Fund*



holdings in Kathmandu, Manawa Energy, and BHP detracted. The last 12 months have seen growth equities perform well, particularly in New Zealand. Your fund is under-represented in these growth names, tending to hold more defensive stocks which has been costly for relative performance. As an example, in the 12 months to 30 November 2024 the NZX50 Gross with Imputation Index delivered a return of 16.21% with growth name Fisher & Paykel Healthcare (which your fund does not own) delivering just under half of this return.

We actively manage the fund's foreign currency exposure associated with Australian equities. The Hunter Global Fixed Interest segment of the fund is hedged to the New Zealand dollar. As of 30 November 2024, these exposures represented around 17% of the value of the fund. After allowing for foreign currency hedges in place, approximately 9% of the value of the fund was unhedged and exposed to foreign currency risk. The New Zealand dollar at one point fell over 1% against the Australian dollar during November before rallying to finish in line with the previous month.

We calculated the running yield of the securities held within the fund as currently 4.62%.

What are we thinking about the future?

Of the investment markets your fund invests in, we see better than average returns available in listed property and NZ equities, and below average returns from Australian equities and NZ cash. For listed property and NZ equities, we think improving outlooks for earnings supported by falling interest rates are not reflected in market valuations. The Australian economy is performing solidly with

government spending and tax cuts supportive, but interest rates have little room to fall, and valuations are full.

The Octagon investment committee met recently and maintained our overweight exposure (versus strategic asset allocation) to listed property, and New Zealand equities, funded with an underweight position to Australian equities and cash



Paul Robertshawe, CA
Director, Chief Investment Officer

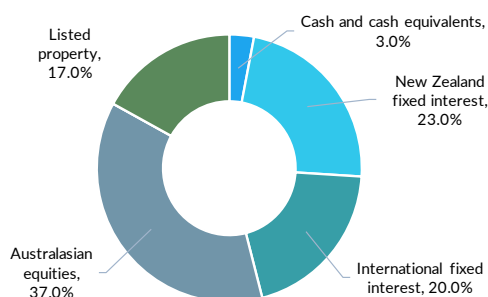


Jason Lindsay, CA
Head of Equities



Craig Alexander,
Head of Fixed Interest and ESG

Tactical Asset Allocation



Things to note

- Manager: Forsyth Barr Investment Management Ltd
- Investment manager: Octagon Asset Management Ltd
- Date the fund started: 11 December 2020
- Tax status: Portfolio Investment Fund (PIE)
- Minimum suggested investment time frame: At least five years
- Market Index: A composite benchmark relating to the fund's target investment mix
- Currency: New Zealand dollars

View the [Product Disclosure Statement](#) for detailed information about this Fund and Octagon Investment Funds Scheme.

Fees

Annual fund charges are currently 0.75% p.a. of the value of your investment. We pay management and administration charges along with the Supervisor fee out of this. All fees and charges are quoted exclusive of GST.

For more information please visit octagonasset.co.nz, email info@octagonasset.co.nz, or call 0800 628 246

^Net Fund Returns are calculated before the deduction of taxes and after deduction of fund charges and trading expenses and including imputation credits where available. Gross Fund Returns are calculated before deduction of taxes and fund charges but after deduction of trading expenses and including imputation credits where applicable. Market index returns do not have any deductions for fund charges, trading expenses or tax.

* The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the relevant fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way. The risk indicator is based on the returns data for the five years to 30 November 2024. See more information about the risks of investing in the Product Disclosure Statement.

This publication does not contain financial advice - for financial advice, please speak to your Investment Adviser. We recommend you review your investments and seek specialist advice on any taxation aspects. Past performance is not a reliable guide to future performance. Forsyth Barr Investment Management Limited is the issuer, and Octagon Asset Management Limited the investment manager, of the Octagon Investment Funds. A copy of the Product Disclosure Statement for the Funds is available from www.octagonasset.co.nz/disclosure-information, by contacting your Investment Adviser, or by calling 0800 628 246.